

Bosnia: High revenue from construction and operation of new facilities, “Electric Power Industry of BiH” introduced the concept of the development of power facilities

The International Economic Forum “Corporate Management in BiH - How and where to go”, which was held in Dubrovnik 5 and 6 December 2013, Elvedin Grabovica, General Director of “Electric Power Industry of BiH”, spoke on “The impact of building new power plants on development of the local community.” Grabovica introduced the concept of power plants in the Public Company “Electric Power Industry of BiH” and the analysis of side effects during the period of construction and use of new production capacity.

The backbone of the investment cycle of PC “Elektroprivreda BiH” make Capital Projects: Block 7 in TPP “Tuzla”, power 450 MW, the annual production 2,700 GWh, period of construction from 2014 to 2018; HPP “Vranduk”, power 20 MW, the annual production 96 GWh, the period of construction construction from 2014 to 2018; and WPP “Podvezlje”, power 48 MW, annual generation 103 GWh, the construction period from 2014 to 2016. Construction and exploitation of facilities of PC “Elektroprivreda BiH” ensure multimillion income to the local community. In this segment, the period of exploitati is the most significant, which provides direct revenues of material compensation to municipalities on whose territory production facilities of “Elektroprivreda BiH” are located, duties and taxes, and employment growth standards and the development of local firms.

In addition to the direct financial effects of the construction - various fees, taxes, employee benefits, domestic raw materials, there are a number of other potential uses and development opportunities for the local economy and the local community.

Grabovica presented model calculations of building hydropower plants with installed capacity of 50 MW with an annual production of 220 GWh, and thermal power plants with installed capacity of 300 MW and an annual production of 1715 GWh. Models show that from building hydro capacities (50 MW), the local community would have a revenue of 12.7 million KM in the construction period, and 5.5 million KM a year in the operation period, while income from thermal capacities (300 MW) would amount to 10 million KM in period of construction and 101 million KM a year in period of operation.

Impact analysis was done on the basis of investment documentation for new facilities, data on the costs of existing plants and the parameters of the current projects for certain items such as concession fees, dues, contracts with the local community.

The analyzes show a significant contribution to the economic situation of the local communities in the existing circumstances, but the potential for an even greater share of domestic component in the construction and operation of production facilities. Construction of new facilities in the PC “Electric Power Industry of BiH” is an important segment in the development of the Federation of Bosnia and Herzegovina, because of the possibility of continuing the construction of a large number of projects over a long period of time, for which there are natural resources and raw materials, as well as significant economic and human capacities.

Source; Serbia Energy See desk/EPBiH